

MINUTES
Crested Butte Town Council
Regular Council Meeting
October 1, 2012
Council Chambers, Crested Butte Town Hall

Mayor Aaron Huckstep called the meeting to order at 7:03PM. Council members present: Roland Mason, David Owen, Shaun Matuszewicz, Glenn Michel, and Jim Schmidt. Staff present: Acting Town Manager and Building and Zoning Director Bob Gillie, Acting Town Clerk Lynelle Stanford, Town Attorney John Belkin, Public Works Director Rodney Due (for part of the meeting), Building Department Assistant and Sustainability Coordinator Jessie Earley (for part of the meeting), Director of Planning and Community Development John Hess (for part of the meeting), Parks and Recreation Director Jake Jones (for part of the meeting), and Finance Director Lois Rozman (for part of the meeting).

APPROVAL OF AGENDA

Mason moved and Schmidt seconded to approve the agenda. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

CONSENT AGENDA

Approval of the Consent Agenda was moved to New Business.

PUBLIC COMMENTS

Skip Berkshire appeared in front of the Council on behalf of the Nordic Council Board. Berkshire stated the ice rink is a home run, but it came with negative ramifications. The ice rink has created a substantial impact at the Nordic Center. Berkshire described over the top chaos in the Nordic Center when their customers try on boots and rentals in addition to the presence of ice rink patrons. Berkshire stated that Town created this problem. He also stated that a substantial amount of citizens' resources were used to construct the ice rink. He pled for follow through in taking care of the problems this project created. Berkshire added he wanted to applaud the Parks and Rec Director for coming up with an interim solution. Berkshire stated, "It's all about money." If it goes on and on, it will negatively affect the Nordic Center. Berkshire asked the Council to think hard about the problem created by this project. He requested the problem be moved to a higher priority with the Council.

STAFF UPDATES

Rodney Due:

- There will be an extension of Town sewer services into McCormick Ranch. Sewer is different than water when extending. Due invited anyone with questions to read his report. Schmidt asked Due how much pressure is on the two inch service line. Due answered the pressure is 100 psi, and Town is responsible for the pressure and the main sewage line. However, Town is not responsible for the service lines attached to the main line. He highlighted the distinct advantage is if the line needs to be cleaned, they (the homeowners) are providing the piece of equipment used to clean it, which is a \$10,000 piece of equipment. The homeowners will have individual pumps and will pay availability fees. The two existing homes will also be on this line.

Lois Rozman:

- There were 55 applications for the Town Clerk position.

- There were issues within the state level with liquor licenses. The state started using a new system, and they are backed up. Town administratively approved Stone Cottage Cellar's liquor license for the Farmer's Market.
- There is an upcoming jury trial scheduled for December.
- Sales tax for August is up 1.8% and up 3.83% for the year. June, July, and August were all record months.

John Hess:

- Standard Mine is about wrapped up. The mine was opened up 140 feet. Structures were shored up. The EPA will go in the next year and figure out the next step.
- Reminded everyone of the GOCO BBQ at Rainbow Park on the 17th (October).

Bob Gillie:

- Reported the Depot project is running behind schedule. They are almost through the structural challenges. However, Gillie is confident the project will be done before any weather impacts the project.
- The bathroom project has begun, starting with plumbing underneath the floor.

PUBLIC HEARINGS

Ordinance No. 10 – Series 2012. An Ordinance Amending the Crested Butte Municipal Code to Include Congregate Housing as a New Conditional Use in the “C” Commercial District and to Make Certain Other Corresponding Amendments to the Code in Connection Therewith.

Huckstep questioned if Section 2 and Section 3 were standard. Belkin answered that both sections used existing language in the code. There were no public comments regarding the ordinance, and the public hearing was closed.

Schmidt moved and Matusiewicz seconded to approve Ordinance No. 10 – Series 2012. A roll call vote was taken with all voting “Yes.” **Motion passed unanimously.**

NEW BUSINESS

A) Arts and Economic Prosperity Presentation – Crested Butte Arts Center

Jenny Birnie, Executive Director of the Center for the Arts, reported to the Council that the Arts Alliance participated in an economic impact study. The Center for the Arts is a part of the Arts Alliance. Of the 182 communities that participated in the study, Gunnison County was the smallest. Birnie summarized by saying, “Arts mean business.” Arts bring a lot of business to the community. Patrons of the arts will travel to get to the events, they will go out to eat, and they will spend money at the event. The bottom line impact of the arts in the valley is \$7M, which is up from \$6.3M in 2005. Birnie stated the numbers spoke to the resiliency of the arts.

Birnie described the cycle that begins when the Center for the Arts is in need of outdoor stage maintenance. The Center for the Arts pays a local painter who then goes to buy paint locally, therefore adding more money to the local economy.

Birnie then informed the Council about a survey they conducted. Birnie said the home residence zip code was the most important question at the top of the survey. Birnie listed a few questions that were

on the survey: Why did you come to this event? How much money did you spend at the event? Did you buy a new outfit to come to this event? A finding of the survey was that the expenditures added up very quickly. The survey showed a local resident will spend an average of \$20 above and beyond the ticket price, but someone who traveled to the event, will spend an average of \$73 above and beyond the ticket price. Cultural tourists and second home owners spend 270% more than a local would spend. Another key question is if arts events draw visitors. Birnie cited that 42% of all non residents report the primary reason for their trip was to attend an arts/cultural event. 25% reported they would have traveled to a different community to attend the same event.

Birnie went on to state that volunteerism is how the Center for the Arts survives. During 2010, they had \$320,000 in volunteer impact. During the summer, the Center for the Arts has 70 volunteers, and in kind contributions had an aggregate value of \$450,000 in fiscal year 2010. The Center for the Arts is serious about the work they do, and they do not want to be an added amenity.

Michel questioned Birnie if there has been research conducted on how the Arts Alliance affects property taxes. Are people willing to pay more for their property because of what the Arts Alliance offers? Birnie answered that no research was done specifically in that area.

B) Discussion and Possible Action Regarding Proposed Tennis Court Renovation.

Parks and Recreation Director Jake Jones began by acknowledging that the Town is going into a budget cycle that does not support the tennis court renovation financially. Jones voiced concerns that he does not want other projects not to happen because of the tennis court renovation. Jones was looking for buy in from the Council on the site plan before fundraising begins. The proposed tennis court renovation is being funded 100% through fundraising.

Owen questioned Jones on element 3, an access walkway. Jones said there would be a pavilion on the south side of the courts, and the walkway is on east boundary of the courts. The walkway comes down the east side and connects with the pavilion. The idea behind this aspect of the site plan is putting the tennis courts more in the context of the park. Owen wondered if the pavilion was ramped. Jones explained there was a grade change from the south border of courts to the grass, and the pavilion actually sits below the courts. Matuszewicz questioned the cost to the Town of in kind man power. Jones answered the primary cost is the concrete company. A concrete slab would be poured on top of the existing courts. Jones estimated a cost of \$10,000 for demolition, site preparation, and preparation for concrete. Matuszewicz asked what the savings are by avoiding the necessity of patching the courts. Jones said it costs \$4000 to patch the courts. They are being patched every other year, but they should be patched every year. A new tennis court is a 30 year build. In year 7-10, maintenance becomes necessary. Rozman has slated \$10,000 to \$20,000 of in kind labor for the 2014 budget.

Huckstep asked Jones how the site plan was developed. Jones said there was a functional and engaged ad hoc committee that met throughout the summer. He said the design is pretty cookie cutter tennis court to tennis court, and they pooled best practices. When asked if Jones would stay with the same site plans even if the project is delayed a few years. He answered, "Yes." The current design represents what people really want; it is an amenity that is fitting of the park system.

Matuszewicz questioned the aspect of the site plan in which mature cottonwood trees would be cut down, and he asked how mature the aspens would be that would replace the cottonwoods. Jones answered that the canopies of cottonwood trees become very large. Shade makes the light difficult for

seeing the tennis ball. Having a large tree, aggressive in its root structure, is problematic near tennis courts. In addition, courts in the shade dry slowly. Jones agreed that taking trees out of a park seems counterintuitive. However, he said the new trees would be pretty mature. The new trees cannot replace the existing trees' diameters inch for inch. There would be aspen and spruce intermixed and therefore, less concern with the roots. The neighbors immediately to the east of the tennis courts are supportive of the site plan, including the replacement of the trees. They will write an email in support of the site plan. The committee would begin fund raising upon Council's approval.

Mason said he was in favor of site plan. He added the idea of a Town Christmas tree that could be incorporated into this site plan. Jones agreed that Mason's was a good idea, and he suggested the area to the west of the courts as a location for the tree. This area Jones called the last untamed quadrant. Jones hoped to add simple landscape and irrigation to this area which is used for snow storage in the winter. It was further added that the lone cottonwood tree in this area tends to get beat up by the snow plows. The Council directed Jones to move forward with fund raising.

C) Ordinance No. 12 – Series 2012. An Ordinance Granting a Franchise to the Gunnison County Electric Association, Inc., A Colorado Electric Cooperative, to Operate an Electric Supply and Distribution System in the Town of Crested Butte.

This franchise agreement is the same as the previous agreement. Belkin stated that previously there were certain publications and readings that needed to happen that were outside of Town code. A representative from GCEA was present at the meeting to read the ordinance to fulfill PUC requirements.

Matusiewicz moved and Mason seconded to set Ordinance No. 12 – Series 2012 for public hearing on November 5, 2012.

D) Presentation and Possible Action Regarding Deed Restricted Housing Survey.

The 2012 Deed Restricted Units Survey was completed in September of 2012. A primary concern with deed restricted housing is the units that float around the free market as rentals. The Town cannot control rent prices, and Gillie stated the system is beyond questionable. Gillie defined units that are questionably used as ones that meet the letter of the code but not the intent of the code. According to information obtained from the survey, 10 units are not in compliance and 9 are questionable. Matusiewicz questioned the two units that are currently vacant. Earley answered they are for sale and not being rented. The survey showed the range of rent to be from \$500 to \$3,800. Mason questioned how many bedrooms the unit renting for \$3,800 has, and Huckstep questioned the location of that particular property. Huckstep stated that bringing the problem into the daylight helps to curb the problem. Schmidt agreed that peer pressure does work. Earley added that some people were not aware of their deed restriction, and part of the solution may be educating them. Mason said it is not the Town's responsibility to keep track every time a house changes hands. He suggested going back to the title companies and requesting they mention the deed restriction to buyers when they close.

According to the survey, 85% of deed restricted units are used properly. Gillie reported that he was not disappointed with the results of the survey. Mason agreed the numbers were good. The question was posed if dedicating staff time will help with the problem. Gillie said it was a cost benefit question. Gillie described the 10% out of compliance percentage as a moving target. However, Schmidt had a concern with people thinking 85% compliance is just fine. Gillie reiterated that they are not done with enforcement at this point. The Town may have to prosecute someone. Michel asked what the fine is for

noncompliance. Belkin answered the fine can be up to \$1,000 a day and can be levied like property taxes. In addition, the fine can become a first lien on the property. Gillie said pulling the conditional use is a lose, lose situation. Huckstep asked the Council to consider an alternative method of enforcement, citing an example in New Mexico where the newspaper published the names of the highest water users. He said when we think of all of the tools, the staff should not ignore noncompliance.

Matusewicz said the wording in the contracts needs to be changed going forward since it is not appropriate to retroactively change the contracts. The word local needs to be added if that is the intent of the deed restriction. Gillie said we need to beef up the word "long term rental" by changing the deed restriction for an accessory dwelling unit from saying it must be long term rented to long term rented to a local. Currently, the Town is relying on the owner to qualify the renter. Hess questioned if the two Council members on the Housing Authority Board could bring it back to the Housing Authority for them to assist with renter qualification.

Huckstep concluded the Council appreciated the information. He directed staff to move forward with revising the deed restrictions and to move forward with alternative enforcement mechanisms.

CONSENT AGENDA

In the Town Council Minutes for September 17, 2012, under Bob Gillie under Staff Updates in the last bullet point, "...Earley added the compliance rate is about 80%." Schmidt said this statement is irrelevant.

Schmidt moved and Matusewicz seconded to pass the Consent Agenda and approval of the September 17, 2012 regular council meeting minutes amended by striking everything after the comma under Bob Gillie in Staff Updates. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

LEGAL MATTERS

Gillie and Belkin will bring an omnibus ordinance in front of the Council with some discrete and technical updates to the Town code. The updates pertain to the short term rental accommodation definition as it plays into time shares and the allowance of bathrooms in certain places. Gillie is also looking for clarification on intent issues related to deed restricted housing. Belkin will work on a memo explaining why they are requesting the changes.

In addition, Belkin reported Atmos would like to come up with a process for working through a franchise agreement. Belkin will draft a memo for the Council. Belkin said representatives from the Council and staff will meet to come up with an agreement. Huckstep said in the franchise agreement negotiations with GCEA, himself, Parker, and Belkin worked together effectively.

COUNCIL REPORTS AND COMMITTEE UPDATES

Schmidt:

- Schmidt and Matusewicz met with Rozman on service grants. There was \$114,000 in grant requests this year. Last year \$56,000 was granted. There was discussion of \$7,000 from this grant fund that would be matched by Waste Management and Mt. Crested Butte to be used specifically for promotional events during the winter. This topic was brought up again under Other Business.

Michel:

- Michel met with Maya Silver, Executive Director of ORE. Michel acknowledged that some comments that appeared in the Crested Butte News regarding ORE might have been hurtful. ORE is having a board retreat in October. Schmidt asked if the absentee chairperson has resigned. Michel answered that he has not seen the document that makes it official. Mason asked how much ORE requested in service grants. ORE requested \$7,500.
- Michel cited an article in the Crested Butte News on Mountain Express and the funding for the Topsy Taxi. He said all recognize the value of the Topsy Taxi, it is just not certain how the funding will go. Mason and Michel said they are trying to cut out the middle man in Topsy Taxi funding. Mason said it is transportation, and he questioned if the money should come out of service grants or the transportation budget. Huckstep pointed out that Topsy Taxi does not only drive around town; the CB South Property Owners Association and Mt. Crested Butte should also have a vested interest in the Topsy Taxi. The Bartenders Association, an entity that funds the Topsy Taxi, is requesting a \$ 7,700 service grant this year.

Huckstep:

- Allegiant Air is flying from Phoenix Mesa and San Francisco into Montrose. There has been no movement from the RTA regarding their funding request.
- There is a review process for the Town Manager involving revamped forms including a set of instructions.
- A coalition of groups was formed to get a bridge built for the Deadman's Trail. They had a meeting last week with a grant committee and are working to secure money to get it built by next spring or summer. SGM will assist with engineering the bridge abutments. The bridge itself is pre ordered and installed, but the abutments need to be engineered.
- There was a response from the letter sent on the Town's behalf to Governor Hickenlooper.
- There will not be a ribbon cutting for the clock at the Four Way.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Huckstep said Waste Management has expressed interest in sponsoring through cash and in kind contributions a winter grant program. They pitched the idea of the Towns of Crested Butte and Mt. Crested Butte matching funds. With all entities contributing \$7,000, there would be \$21,000 that would serve to try to stimulate demand in the winter timeframe. Summertime activities drive the local economy, and this would be a focus on wintertime. The funds would be used for items that affect both municipalities and would be for projects that touch and concern both towns. Huckstep reminded the Council this is an opportunity to leverage dollars from an outside entity.

Matusiewicz asked if Waste Management has indicated what the proportion their contribution cash to in kind would be. Huckstep said the in kind probably does not have much value, and the majority of Waste Management's contribution should be cash. Waste Management had also expressed interest in breaking it into two grant cycles.

Matusiewicz said it is hard to deny essential services to put \$7,000 aside. Schmidt said that last year \$2,500 was awarded to the CB Film Festival, and \$1,500 was awarded to Yoga for the Peaceful. This \$7,000 contribution would be an additional \$3,000 towards "this type of thing." Mason said the Town is already providing money for these services, and it is not like we're spending the full \$7,000. Mason was in favor of keeping some money available if it fits the parameters. Huckstep said they are trying to bring

in more funds collectively to focus on an area of our local economy. Mt. Crested Butte is on board. Huckstep said this is something new that might generate something new.

The Council had no objections to the principle of researching. Schmidt or Matusiewicz will contact Waste Management to discuss further details, including specifically Waste Management's in kind contribution, and will report back to the Council.

Schmidt reminded the Council that last spring or winter they discussed a raise for the Council members. At that time, they were going to schedule the further discussion for October. A prospective raise will affect the budget for next year. Huck asked Gillie to add that item to the agenda sometime in October before the 2013 budget is approved.

A letter was drafted in support of high speed internet via fiber optics in the Gunnison Valley. A company called Eagle Net received grant funds for a rural initiative to build infrastructure where there is insufficient infrastructure to support the statewide network carrying high speed internet. Eagle Net Alliance began with a vision to connect every school district in the state with high speed internet. A requirement of the grant is they have to connect to the headquarters of the school district, which is in Gunnison. Eagle Net has been accused of overbuilding in the Front Range and adding fiber optics to where they already exist. The Gunnison Valley has a reliability problem with the internet because there is not back up for the line. An objective of Eagle Net's was to prevent the issues that would be caused by an outage occurring without a backup line in place. To remedy the problem, Eagle Net has proposed to run a microwave from Salida over Monarch Pass through Gunnison and into Crested Butte. The purpose of the letter is to communicate to Eagle Net that our area is strongly in favor of fiber optics over microwave. Matusiewicz said he strongly supported signing on the letter. He said Eagle Net was planning to do microwave in Silverton, and they are now doing fiber optic after hearing from the public. Michel cited the importance of fiber optic lines for telecommuters. Reliable internet would allow people to invest and be in the community year around. Michel said we are where the growth is, and we are going to do it over the internet. The Council was in support of signing the letter.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION MEETING ITEMS

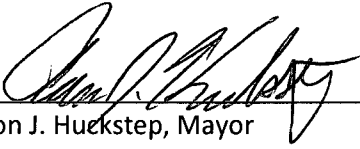
- Tuesday the 16th at 6:00PM was set for the next budget work session.
- Huckstep said discussion about the snow plan was needed. Due said discussion was needed before the completion of the budget.
- The TA quarterly report will be under New Business.

EXECUTIVE SESSION

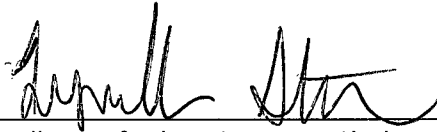
Schmidt moved and Matusiewicz seconded to go into Executive Session for the purpose of receiving legal advice on specific legal questions under C.R.S. section 24-6-02(4)(b). A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

Council took a short break and then went into Executive Session at 9:35PM. Council returned from Executive Session at 10:20PM. Mayor Huckstep made the required announcement upon returning to the open meeting. No action was taken.

Mayor Huckstep adjourned the meeting at 10:25PM.



Aaron J. Huckstep, Mayor



Lynelle Stanford, Acting Town Clerk

(SEAL)

